



SAN JOAQUIN VALLEY SMALL BUSINESS & CALTRANS STATEWIDE SMALL BUSINESS COUNCIL MEETING

July 20, 2007 Meeting Minutes

**Stockton Grand Hotel
2323 Grand Canal Blvd.
Stockton, CA 95207**

Statewide Council Members Present:

Borroel, Diane – SACHCC
Chaudhary, Arvin – CELSOC
Garcia, Rodrigo – SHPE
Guerrero, Paul – CAL SBE
Hassoun, Sam – GLA
Hou, Jonathan – ABA
Johnson, Bernard – BCA
Jordan, Fred – SFBCC
Keller, Marty – Governor's Office, SB Advocate
LaCome, Diana – NCA
Lau, Eddy – AA&E
Llewellyn, Rebecca – WCOE
Patten, Ezekiel – BBA
Yang, William – AA&E – SoCal

Caltrans Staff Present:

Kempton, Will – Director
Fonseca, Olivia – Deputy Director, Civil Rights
Dougherty, Malcolm – District 6 Director
Adams, Cliff – District 6
Ajise, Kome – District 10 Director
Carroll, Patrice – Local Assistance
Carrera, Angel – Civil Rights
Caudle, Morris – District 6
Delgado, Marilyn – Civil Rights
Dunning, Julie – District 10
Effinger, Robert – Construction Chief
Einhorn, Joanne – District 11 Deputy Director
Evenson, Brian – District
Failing, Doug – District 7 Director
Gilbert, Delores – Civil Rights
Gordon, Germaine – District 10
Harrison, Marcella – Civil Rights
Mason, Anne – Civil Rights
Nogueira, Zelig – District 10
Peterson, Jerold – Division Project Management
Pokrajac, Kevin – Local Assistance
Rix, Teresa – District 6
Robertson, Deborah – District 7
Runge, Pam – District 6
Sanchez, Rene – District 6
Sontos, Jorge – District 6
Sartipi, Bijan – District 4 Director
Smelser, Jan – DPAC

Guests:

Beasley, Nikki – New York Life Insurance Co.
Bivens, Robert “Bobby” – NAACP
Bhinder, Singh – Batteries Plus
Blackwood, Ken – San Joaquin Valley Black Chamber
Brewer, Briana – HDR
Erdman, Cindy
Ferral, Frank J.
Gonzalez, Michael – Assistant SB Advocate
Griffin, Susan – San Joaquin County Dept. of Public Works
Harrington, David – Derivi Construction & Architecture
Herbert, Benjamin S. – Herbert's Water Truck Service
Jackson, Darcel – Director of African American Construction Contractors
Kwolfe, Anita
Kendall, Jennifer
Lauchner, Brenda – Fresno COG
Lee, Dennis – Central Valley Asian-American Chamber
Madrid, Napoleon – Municipal Financial Advisors, LLC
Martinez, Tim
Molina, Jim P. – Adwear by Design
Morris, Ali – Kern County Black Chamber of Commerce
Padilla, Pat – DBE Consultant, SR 125 Design Build Project
Price, Michael
Ramirez, Frank – The American Group
Roessler, Michael – Director of Small Business Program Operations, California Community Colleges
Uweh, Ukpong – Valley Tech. Inc.
Watts, Sabrina – AGC
Womble, Loren – Stockton Service Station Eq. Co.
Zeifel, Don – Registered Lobbyist

Guest Speaker:

Monroe, Adrienne – Director of AGC Educational Foundation
 “Construction Career Day Sponsors - Partnership with Stakeholders”

Welcome/Introductions/Opening Remarks

Director Malcolm Dougherty, District 6, along with Director Kome Ajise, District 10, and Statewide Small Business Council (SBC) welcomed the joint meeting of Caltrans Statewide SBC and the San Joaquin Small Business Council. Attendees introduced themselves.

Statewide SBC Chair Olivia Fonseca provided welcoming remarks. She thanked Council member Paul Guerrero and his wife for hosting the Summer Reception at his beautiful home.

Adrienne Monroe, Director of AGC Educational Foundation was the guest speaker. She explained how their ventures with Federal Highway Administration (FHWA) and Department of Transportation (Caltrans) provide outreach services for high school youth entering the construction industry. A labor force survey indicates California will need 140,000 to 250,000 skilled journeymen to complete the (18,000 jobs per each billion dollars of bonds) construction work approved with the transportation bond. See hand out.

District 6 Director Dougherty welcomed and introduced the Director of the Department of Transportation, Will Kempton. Director Kempton updated the committee on the State Budget and how the Assembly had passed their version and that it is now with the Senate.

Disparity Study: The Disparity study was completed on time and is being reviewed by Caltrans and the Agency Secretary. Caltrans is looking into how to better balance the program to be able to meet objectives and improve race neutral efforts. More can be done with SBC involvement and getting the District Directors to get personally involved in Caltrans projects to meet 25% SB participation and move beyond that and also the 3% for DVBE.

Darcell Jackson, Executive Director of the African American Construction Work Association and Robert Bivens, of the NAACP for Stockton voiced their perspective on the Disparity Study. They raised overall concerns on issues effecting greater minority and women business participation which included racism, discrimination, access to capital, lack of smaller contract opportunities, lack of financial assistance for start up businesses, bonding issues, and not hiring African Americans on job-sites. Director Kempton reiterated we have more to do and indicated that Caltrans introduced legislation to provide for bonding assistance for small businesses, Assembly Bill 1695 (Bass), the \$40 million Surety Bond Guarantee Program proposal was held up and efforts are being made to place it in a Budget Trailer Bill.

Council member Guerrero asked how big the Oakland Touchdown contract is and if there are limitations in including small businesses in the contracts after the contracts are bid. Director Kempton stated that the proposed bid is about \$177 million and that there is some element in the construction guidelines, which has allowances for the contractor to engage more subcontractors and suppliers after bid award. Council member Jordan asked if the Touchdown contract will have local labor. Director Kempton responded he met with MCM owners and they will pursue local labor and local business services outside of normal construction business such as renting hotel rooms for the laborers.

Item #1: Approval of SBC June 15, 2007 Minutes and Statewide Committee Reports

Motion: Council member Lau

Second: Council member Patten

Approved by consensus.

Item # 1 – Statewide Committee Reports

Commodities Committee:

Council member Patten reported on how much was purchased at Procurement Fairs in fiscal year 2006-2007.

District 6	552,190
District 7	165,000
District 8	142,688
District 11	717,265
District 4 - network event	
District 7 – joint effort	85,576
District 12	<u>22,000</u>
TOTAL	\$1,684,719

Procurement Fairs Planned:

District 8 – September 12, 2007 in San Bernardino

District 6 - second week in November in Fresno

District 3 and Headquarters – November 7, 2007 in Sacramento

Supportive Services Subcommittee: Council member Garcia reported that Caltrans developed a comprehensive work plan highlighting key points for the program. July and August is the start up timeframe for dissemination of information to the DBE communities and small business centers. Success will be established with benchmarks. Chair Fonseca informed SBC that Caltrans and California Community Colleges established an agreement to identify 11 Small Business Development Centers (SBDC) throughout the State to identify the amount of work Caltrans will release to provide one-on-one technical services via outreach to Disadvantaged and Small Business Enterprises. Council member Garcia will send the Supportive Services contract scope of work to all council members for their review. Michael Roessler, Director, Small Business Program, California Community Colleges is soliciting a subconsultant to provide specialized training to the certified DBEs, via the 11 statewide SBC centers. The subconsultant solicitation was passed out to all members and guests in attendance.

Legislative Committee: AB160 (Price) – Small Business Expansion Fund: Council member Guerrero's testimony was submitted recommending the hiring of local communities theorizing that money spent locally would increase funds and come back into the communities. The Assembly Select Committee on Procurement hearing has been rescheduled to August 1, 2007.

Construction Committee: Discussion of Caltrans developing a statewide policy for the standards and guidelines for hearings. A new Action Item is the recommendation to train hearing officers (ombudsman) in each district for the purpose of bringing small business concerns to the local level. See Action Item list for additional Action Item details.

Professional Services Committee: Council member Lau reported on the "InRoads" contract, no decision has been made by Caltrans to select InRoads or another vendor. The Committee wants clarification on the A&E insurance requirements. The Committee wants Local Assistance Program to monitor local government's DBE participation after bid award and final utilization. District 7 Director Doug Failing has volunteered to pilot a

DBE monitoring system with the local governments in his district. See Action Item List for additional Action Item details.

Executive Committee: No meeting was held.

Item #2: District 6 and District 10 Updates

District 6 Director Malcolm Dougherty expressed his plans to have bi-monthly San Joaquin Valley SBC meetings beginning in September 2007. Council member Guerrero asked if the Districts could offer telecommunications for the meetings, this way small businesses in Fresno and Stockton can participate without traveling long distances. He also asked that the meeting schedule not conflict with Statewide SBC meetings. District 6 Director Dougherty endorsed providing telecommunications media to increase participation.

Council member Lau asked how many Professional Services contracts will be let on the Highway 99 project. District 6 Director Dougherty commented that there is mainly construction work on the Hwy 99 Corridor.

District 10 Director Kome Ajise stated the Districts will seek out small business participation on all its contracts. The State funded contracts will include Disabled Veteran Business participation. District 10 Director Ajise indicated his District has obtained approximately 80% small business participation on Minor A and Minor B contracts. Council member Guerrero address his concern that the District and the City of Stockton were not sufficiently notifying the public of impacts of the road and bridge construction effecting Charter Way and other streets. He suggested the public meeting notices be placed in ethnic newspapers, letters and radio. District 10 Director Kome indicated the District is working diligently with the City of Stockton to notify the affected community and ensuring compliance with Environmental Justice. The project construction is still some time away. He welcomed further comments and assistance from the SBC to ensure appropriate communication to the community on the project.

District 10 Director Ajise answered Mr. Bivens of the Stockton NAACP and welcomes an invitation to have a meeting with Caltrans and the Chamber of Commerce about the impact the community will have regarding the Martin Luther King project. Council member Diana LaCome raised an issue about money available for an Environmental Impact Study on the project. District 10 Director Ajise stated there will be public hearings to address the environmental issue. Mr. Bivens would like more outreach since there is poor attendance at the public hearings.

Item #3: District Updates, SR 125 and Disparity Study Updates

District 7 Director Doug Failing announced their next planned Procurement Fair is August 21, 2007. He spoke of the difference of Statewide SBC's being more policy oriented and the district SBC's having more District and local level outcomes. He mentioned that District 7 held the first Procurement Fair in 2004.

District 4 Director Bijan Sartipi spoke of the SBC meeting that focused on networking for the MacArthur Maze Project. The opportunity to bid was offered to eight contractors, of which seven accepted. Approximately 400 contact letters were sent out to small businesses and over 120 business representatives attended. The results were ten small businesses obtained subcontracts. There will be a Quarterly Contractor's Outreach on August 16, 2007, which will address contracting opportunities within the next 90 days.

District 11 Deputy Administration Director Joann Einhorn acknowledged SBC's strength is due to the great partnering in the region. The District is implementing the A&E Cal Mentor Program in partnership with the San Diego Area Governments. They kicked off last month with 14 mentors and 34 protégés participating.

District 11 Deputy Director Einhorn reported that the district will hold a Infrastructure Bond Outreach Event on September 20, 2007, which will attract both sub-and prime contractors.

SR125: Pat Padilla, representing the SR 125 South Design Build Projects (Gap/Connector and Toll Road), South Bay Expressway, reported on DBE commitments (including amendments) through May 31, 2007. For the Toll Road: DBE Commitment amounts to \$37,943,035 representing 14.6% commitment toward the DBE Project Goal of 12%. Thirty-seven DBE firms are participating on the Toll Road Project. Toward meeting the DBE commitment, DBE firms have been paid \$25,041,475 for the Toll Road project by ORC. For the Gap/Connector: Independent of this commitment, ORC has committed \$14,886,154 to DBE firms for the Gap Connector. The DBE Goal for the Gap/Connector is 15%; currently, the master contractor has 14% DBE Commitment. DBE firms have been paid \$11,397,856 as of May 31, 2007. Thirty-five DBE are participating on the Gap/Connector Project.

Item #4: Public Comment/Good of the Order

Marty Keller, Governor's Small Business Advocate, encouraged SBC and guest to come to him or his assistant Michael Gonzalez if they have small business concerns. Mr. Keller indicated his advocacy is in partnership with Chair Fonseca, the Department of General Services and other agencies for the purpose of meeting the goals of DVBEs, DBEs, and small business participation.

Marcella Harrison, DBE Supportive Services Contractor Manager introduced Michael Roessler, Director of Small Business Program Operations, with the California Community Colleges. Caltrans will be providing specialized consultant training to the certified DBEs via the 11 statewide SBC centers. Both Caltrans and the California Community Colleges have developed a project partnership, called California Construction Contracting program. Its purpose is to market externally through both Caltrans and DBEs; supportive services that will be provided throughout the State.

Next Meeting:

The next Statewide SBC meeting will be on Friday, August 17, 2007, 1823 14th Street, Sacramento, California 2nd Floor, Room 207

Next San Joaquin Valley SBC meeting will be held in September 2007.

Approved by:



OLIVIA FONSECA
Deputy Director, Civil Rights
California Department of Transportation